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DCI/NIO Regional Meeting -- 5 February 1986

1. Berlin Issues

Rather than progress there has been some regression on the two main items on the US-Soviet agenda:

- In the MLM discussions the Soviets have proposed qualifying the instructions to be issued to sentries in a way unacceptable to the US. A new controversy has also risen over the sequence for exchanging new PRA maps. The Soviets are now asking that the exchange be simultaneous rather than having the three Western powers produce their map after the Soviets produced theirs.
- In the Berlin Air Corridors discussions the Soviets have reverted to a less forthcoming tone and have once again been imposing higher level reservations. To complicate the issue further, Lufthansa is continuing its campaign of acquiring some landing rights in East Germany in exchange for the East German airline Interflug being allowed to fly to some West German airports. The three Western Allies fear these arrangements might eventually undermine the West Berlin air regime and put the issue on the Bonn quadripartite group agenda.

2. Greece

There has been a setback in the slow improvement of US-Greek relations. The Greeks have balked at the US proposal to sell them 40 F-16s on a government controlled FMS basis. Greece argues that a purely commercial arrangement with General Dynamics would produce 100 percent offset purchases and guarantee completion of the sale. The last argument is the sticking point as the USG wants to maintain control over the sale in order to keep prodding the Greeks toward better security practices. In addition to this development, the Greeks have not undertaken practical measures to implement their promise to issue US personnel Greek auto license plates for security purposes. They have taken affront at the US linkage of the F-16 sale to the issuance of those plates. The Greek military, however, very much wants to buy the F-16 and Greece eventually will probably agree to the US conditions. But the setback is an illustration of the difficulties we will continue having in our dealings with the Papandreou government.

3. Pre-Party Congress Maneuverings in Eastern Europe

- Four East European parties will be holding Congresses this spring and summer--the Czechoslovaks in April, the Bulgarians and East Germans in May and the Poles in June. Their leaderships are already engaged in jockeying for position.

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- In East Germany Honecker made an important move late last year by dumping some Politburo members and setting up his ally Egon Krenz as heir apparent.
- In Czechoslovakia no open moves have yet been made, but intense behind-the-scene maneuvering seems to be taking place.
- In Poland Jaruzelski is continuing to consolidate his control and can well claim to have "normalized" the country, albeit Polish communist style.
 - Through a series of so-called balanced moves he has managed to install a number of men beholden to him in important Party apparat positions.
- In a highly publicized move last fall he turned over the Prime Ministership to a technocrat, Messner, thus recreating the traditional division of responsibility between Party and Government wherein the party produces high blown rhetoric and the government can be blamed for what ever goes wrong.
- In a simultaneous move he most likely served his and Soviet interests by ousting his foe Olszowski from the Foreign Ministry and appointing in his stead the colorless Orzechowski, who has spent five years studying in Leningrad and probably enjoys Soviet trust.
- But these personnel moves are not producing any more Party unity or devotion to genuine reform than existed under Gierek.
- As a result Jaruzelski still has no realistic plan for leading Poland out of its social and economic crisis and the gap between ruler and ruled is as wide as ever.
 - In sum, Jaruzelski maintains enough control over the Party and uses enough repression to maintain order, but the lack of serious efforts to create a social contract leaves Poland susceptible to the kind of crises that have regularly brought down party leaders.
- In Bulgaria party leader Zhivkov's recent personnel reshuffle and shifts in the economic management system are an attempt to mollify Soviet criticisms of his regime's mismanagement.
 - His moves mark a retreat from previous verbal commitments to decentralization, Hurgarian-style.
 - He created four "super-ministries" to "improve the central planning system" and control central ministries--as in East Germany's "kombinat" system now favored by Moscow.
 - He sacked or bypassed many senior reform advocates in the reorganization.

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- Zhivkov gave Chudomir Alexandrov--a 50-year old apparatchik and a favorite of the Soviet Ambassador--a major promotion and precedence over other potential successors. Alexandrov probably will work to preserve party controls on the economy while ducking the onus for its day-to-day failings.
- Zhivkov assigned Ognan Doynov, an outspoken reformer, the tougher job of making the borrowed and highly technocratic East German system work in Bulgaria's more primitive economy.
- So far, Zhivkov is the Soviet vassal who has made the most blatant moves to anticipate Gorbachev's wishes. A past master of preemptive subservience to Moscow, Zhivkov is trying to demonstrate that he can "read Gorbachev" as well as he did Brezhnev.

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